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PRELIMINARY REPORT
OF THE
TASK FORCE ON FLEET MANAGEMENT

GOVERNOR MARVIN MANDEL

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Prepared For:
GOVERNOR MARVIN MANDEL
and the
BOARD OF PUBLIC WORKS

Submitted by:
JAMES P. SLICHER, CHAIRMAN

February 1, 1972

TO: The Governor and the Board of Public Works

FROM: Secretary James P. Slicher, Chairman
Governor's Task Force on Fleet Management

SUBJECT: Preliminary Report of Task Force on Fleet Management
Charges A through M

The Executive Order that created the Task Force on Fleet Management contains the mandate of a preliminary report to be submitted by February 1, 1972. The following is in compliance with that requirement.

The full membership was convened on Wednesday, December 15, 1971. It was agreed that there were three comprehensive areas of consideration for Fleet Management. Therefore, charges a, b, and c, generally concerned with assignment policies, were assigned to a sub-committee headed by Secretary Henry G. Bosz. Charges d, e, f, g, and h, generally dealing with specifications, procurement and disposition of fleet vehicles, were assigned to a sub-committee headed by Secretary George R. Lewis; and charges i, j, k, l, and m, which deal broadly with the operation, maintenance and management of the State fleet of automobiles and station wagons, was headed by Secretary Robert J. Lally.

Each sub-committee has had several meetings and, while many of their studies are still in their initial stages, have worked diligently to submit reports on each of their charges to be included in this preliminary report. The sub-committees are continuing their efforts and the Task Force will submit its full recommendations in its final report of June 1, 1972.

a. Criteria for assigning State vehicles to individual employees or officials.

The sub-committee presented a "Proposed Fleet Management Directive" for the consideration of the members of the Task Force. The sub-committee recommends the formation of vehicle assignment boards by each Secretariat and State Agency to be guided by the criteria set out in the above-proposed directive. It further recommends the initiation of a standing State Fleet Review Board, consisting of the Secretary of Budget and Fiscal Planning, the Secretary of General Services, and the Secretary of Personnel. Said Board shall review vehicle assignments on an "exception" basis when the criteria, which is to be established, is not adhered to for a stated period of time.

The sub-committee recommends this proposed State Vehicle Review Board be empowered by the Governor or the Board of Public Works to require the reassignment of such vehicles for more efficient usage by the agency involved.

b. The terms and conditions upon which a State employee shall use a vehicle assigned to him.

This charge is still under study. State Agencies are being solicited to submit what they consider to be a workable formula for determining the proper cross-over point in mileage. The sub-committee recognizes that mileage alone should not be the sole consideration in the assignment of a State vehicle.

c. The desirability of establishing motor vehicle pools in certain instances instead of assigning vehicles to particular individuals.

The sub-committee cannot make final recommendations regarding this charge until an up-to-date inventory of the State fleet is completed and all factors such as costs, security, maintenance and responsibility for operation can be carefully considered.

This sub-committee further recommended the Task Force adopt as policy that there be only three models of State automobiles:

Class A -- to be assigned to the Governor, Lieutenant Governor, Attorney General and the Comptroller of the Treasury.

Class B -- to be assigned to Secretaries and Deputy Secretaries. Any exception to be with the approval of the Governor upon recommendations of the State Review Board.

Class C -- the standard State automobile.

The specifications for these three classes are to be established by the sub-committee headed by Secretary George R. Lewis.

The only exceptions to these standards should be police enforcement vehicles.

d. Methods and criteria for determining the types of vehicles and kinds of optional equipment to be purchased.

This sub-committee reported that there is very little true application for station wagon use when carryall types, light-duty trucks and mini-buses are considered. The recommendation is that very careful justification must be presented to warrant purchase of the premium-priced wagons.

The submitted recommendation pertaining to optional equipment was that the presently approved equipment be continued and that full Committee consideration be given to including AM radio with the option list. It was further recommended that serious thought be given to upgrading the series of vehicles used to at least the middle or possibly the top line. The reason for this suggestion is that the anticipated resale recovery will equal or exceed the additional purchase cost.

e. The manner of specifying procurement requirements for vehicles and optional equipment.

The recommendation made pertaining to this charge was that there be no major deviation from existing purchasing specifications for the foreseeable future. However, any forthcoming policy or regulation should contain the provision that exceptions can be made if the justification so dictates. Also, because of obvious reasons, patrol or pursuit type vehicles should be exempt from standard specifications.

f. Methods of procurement.

Secretary Lewis' sub-committee considered this charge and recommended that the present method of soliciting bids from responsible suppliers of specified equipment be continued. Also suggested was a request for a detailed and comprehensive cost record of various makes of automobiles to be originated and maintained. This record should show original cost price, maintenance cost, operational cost, and final resale recovery. This data, when available, would document fleet experience and should serve as a guide for buying practices.

g. Methods and criteria for determining the optimum time of vehicle resale.

With the exception of State Police cars, it was recommended that the State remain with a three-year or 45,000 mile replacement schedule. When compared with commercial fleet practices, this was found to be generally acceptable. In addition, it was also suggested that Using Authorities should initiate an internal program of exchanging low-mileage cars with those of a high-mileage application to better distribute total mileage.

h. Methods of resale.

At the present time, it is impossible to answer this charge as the information required is not available. The Department of General Services, in the near future, will dispose of used passenger cars by three methods -- trade-in, auction, and out-right sale to dealers. When this has been accomplished, actual benefits can be determined and recommendations will be included in the final report.

i. Methods of managing the vehicle fleet in terms of the costs of ownership and operation. This shall include consideration of established fleet management principles for control of costs and recognition of the value to the State as a factor.

This sub-committee feels that there is a definite need for improved methods of vehicle fleet management. From its initial examination of the situation, the sub-committee has decided preliminarily to review the management methods of other states and commercial fleets for any useful information which may be obtained. The sub-committee concurrently plans to take the fundamental approach of examining the problem in terms of the following:

1. What information is needed to manage the fleet?
2. How can it be obtained?
3. How can it be used?

The plans call for final recommendations to be completed by early May 1972, so that they can be included in the final report.

j. Development and implementation of an information system to permit effective and efficient management of the vehicle fleet at levels, as desirable, from the individual vehicle upward.

It is obvious to the sub-committee that the entire findings and recommendations of the Governor's Task Force on Fleet Management will be successful only if the information system which is designed can provide all of the necessary data. This data system

must provide information in terms of costs, utilization, performance results, comparisons, trends and exceptions to enable good vehicle management at the agency, department and State fleet levels. The finalized system design, which will provide the required information, will be submitted in the June report.

k. Methods of procurement, control and disbursement of fuel, repair parts and accessories, including consideration of inter-agency and inter-department access to gain advantage from volume purchases.

The sub-committee has defined the areas of consideration which will accomplish the objectives of this charge which are as follows:

1. To make use of existing facilities to the best advantage for disbursing fuel, oil and services, and repairs where feasible.

2. To take advantage of any possible savings through central purchasing of fuels, parts, etc.

Studies are presently being conducted to provide factual information from which the final recommendations of the Task Force will be presented in the June 1972 report to the Governor and the Board of Public Works.

1. Alternate approaches to accomplishing the maintenance and repair of vehicles with particular attention to the possibilities of combining the need for vehicle maintenance and repair with the State's efforts to train and rehabilitate criminal offenders and juvenile delinquents.

Approximately one month ago, the Department of Budget and Fiscal Planning submitted to the Governor an in-depth study pertaining to Regional State Service Centers. In addition to this study, the Department of Public Safety and Correctional Services surveyed the correctional facilities for a determination as to their automotive repair capability. The findings of these two studies will be presented in detail in the Task Force's final report.

m. Effects of "total cost" to the State in considering alternatives involving State-provided facilities and services such as maintenance and bulk fuel; with "total cost" including factors such as direct labor and material, indirect labor and expense, and general and administrative expense.

The use of "total cost" by the Task Force, in considering alternatives, is intended to help provide a sound basis for recommendations by the Task Force and good information for decision-making by the Governor and Board of Public Works.

It is felt important that the "total cost" approach described above be used by all sub-committees in considering each charge assigned the Task Force.